

# **The Reviews Are In: Republican “So Be It” Spending Plan Hurts Job Creation and Economic Growth**

**While the House considers a two-week continuing resolution this week, Americans remain focused on how Congress will cut spending while investing in our nation’s future over the remainder of the fiscal year. Democrats agree that we need to cut spending, and are willing to work together to reach a compromise plan for the remainder of the fiscal year. Republicans will have to abandon their extreme and arbitrary cuts which will harm our economic recovery and job creation, while not seriously reducing the deficit.**

## **Economists predict the Republican Spending Plan will cost jobs and slow economic growth:**

Moody’s Analytics: “A Republican plan to sharply cut federal spending this year would destroy 700,000 jobs through 2012, according to an independent economic analysis set for release Monday. [Mark] Zandi [Moody’s Analytics’ economist], an architect of the 2009 stimulus package who has advised both political parties, predicts that the GOP package would reduce economic growth by 0.5 percentage points this year, and by 0.2 percentage points in 2012, resulting in 700,000 fewer jobs by the end of next year.” [Washington Post, [2/28/11](#)]

Goldman Sachs: “The more federal spending Congress slashes this year, the greater the potential drag on economic growth, according to a new analysis from Goldman Sachs. In a research note, economists at the Wall Street bank estimate that the House GOP’s spending bill -- which would cut \$61 billion between March and Sept. 30 -- could reduce economic growth by 1.5 percentage points to 2 percentage points in the second and third quarters...” [Financial Times, [2/23/11](#)]

Economic Policy Institute: “Non-security discretionary cuts of this magnitude would likely result in job losses of just over 800,000.” [EPI, [2/15/11](#)]

## **State and local officials are concerned by Republicans’ reckless cuts:**

“‘This is a critical time, where the states are facing \$175 billion shortfall in the next two years,’ Washington Gov. Chris Gregoire (D), the NGA chairman, said at a news conference at the start of the annual gathering. ‘Anything Congress does to undermine economic recovery would be very troublesome to us.’... Gregoire and the NGA’s vice chairman, Nebraska Gov. Dave Heineman (R), who also appeared at the news conference, have had discussions with congressional leaders to convey their concerns about the cuts.” [Washington Post, [2/28/11](#)]

“...the heads of the bipartisan U.S. Conference of Mayors announced Thursday they are launching a major lobbying effort against its cuts... several Republican mayors stood up to criticize the GOP spending bill. Mick Cornett, the Republican mayor of Oklahoma City and head of the Republican Mayors Association, called the House hypocritical for making the cuts, and said that it is the wrong way to balance the budget. Scott Smith, the [Republican] mayor of Mesa, Ariz., called the bill’s cuts ‘an atrocity.’” [The Hill, [2/24/11](#)]

## **Editorial Boards across the country have harshly criticized the Republican Spending Plan:**

New York Times: “The threat of a shutdown is a serious one... Essential services would continue, but the impact on a fragile recovery could be devastating. None of that has in the slightest deterred House Republicans — the fire-breathing freshmen and the older members who are afraid of them — from pursuing their single-minded goal of disemboweling the government... The impact of these reckless, largely ideologically targeted cuts could be even more devastating for the recovery than a brief government shutdown. Hundreds of thousands of people would lose their jobs, and not just for a few days or weeks. Those at the bottom of the economic ladder would be hurt the most.” [2/28/11]

St. Petersburg Times: “By wildly hacking away at a small, 12 percent slice of the federal budget - nonsecurity discretionary spending - while largely ignoring the big deficit culprits of defense, entitlements and corporate welfare, the House plan would cause significant pain for Floridians and accomplish relatively little in reducing this year's \$1.6 trillion deficit... This is not a responsible blueprint for governing or reducing the deficit, which will require more focus on defense and entitlements. It accomplishes very little deficit-cutting while strangling investments in education and infrastructure, limiting regulators, and leaving too many poor Americans to fend for themselves.” [2/22/11]

Newsday: “Overall, the deep spending cuts that Republicans in the House of Representatives approved before dawn Saturday are more political statement than achievable budget savings... Finding a workable compromise would be easier if Republicans hadn't left untouched targets such as subsidies for the oil industry and ethanol production. Everything should be on the table as officials debate how to cut spending while doing the least damage possible to the economic recovery. Democrats insist the Republican cuts would cost hundreds of thousands of federal jobs, to which Speaker John Boehner (R-Ohio) said, ‘So be it.’ That's too cavalier.” [2/21/11]

USA Today: “Lacking the legislative strength to get anything close to this measure through the Senate, or past the president's veto pen, House Republicans have threatened a government shutdown. Some have even said that they would vote to let the government default on its debt before compromising. This is the legislative equivalent of a 6-year-old stamping his feet and threatening to hold his breath until he turns blue. It reflects a lack of respect for representative government.” [2/21/11]

St. Louis Post-Dispatch: “House Republicans, claiming an exaggerated mandate to trash government programs, passed a scorched-earth temporary budget extension early Saturday, then beat a hasty exit from the Capitol, apparently exhausted from their Herculean rhetoric.” [2/21/11]

**Rather than focusing on their “So Be It” agenda and making irresponsible budget cuts, House Republicans need to join Democrats in finding a real compromise measure that funds the government through the end of the fiscal year and protects investments in our long-term economic growth. Democrats are committed to working with Republicans to restore fiscal responsibility while protecting investments we need to remain competitive, grow the economy and create jobs.**